

1 AN ACT concerning taxes.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Property Tax Code is amended by adding
5 Section 18-53 and by changing Sections 18-55 and 18-185 as
6 follows:

7 (35 ILCS 200/18-53 new)

8 Sec. 18-53. Recovery of revenue lost due to tax refunds.
9 When a taxing district is required to refund a portion of the
10 property tax revenue distributed to that taxing district
11 because of a decision of the Property Tax Appeal Board, a
12 decision of the Department of Revenue, a court order issued
13 under Article 23, or an administrative decision of a local
14 assessing official reducing the assessed value of a property
15 within the district, that taxing district may, without
16 referendum, adopt a supplemental levy to recapture the
17 revenue lost by the refund or refunds. The supplemental levy
18 must not exceed an amount equal to the aggregate refunds paid
19 by the district for the prior fiscal year. Within 45 days of
20 a request by a taxing district, the county treasurer must
21 certify the aggregate refunds paid by a taxing district for
22 purposes of this Section. For purposes of the Property Tax
23 Extension Limitation Law, the taxing district's most recent
24 aggregate extension base shall not include the supplemental
25 levy authorized under this Section.

26 (35 ILCS 200/18-55)

27 Sec. 18-55. Short title and definitions. This Division
28 2 may be cited as the Truth in Taxation Law. As used in this
29 Division 2:

30 (a) "Taxing district" has the meaning specified in

1 Section 1-150 and includes home rule units, but from January
2 1, 2000 through December 31, 2002 does not include taxing
3 districts that have territory in Cook County.

4 (b) "Aggregate levy" means the annual corporate levy of
5 the taxing district and those special purpose levies which
6 are made annually (other than debt service levies and levies
7 made for the purpose of paying amounts due under public
8 building commission leases).

9 (c) "Special purpose levies" include, but are not
10 limited to, levies made on an annual basis for contributions
11 to pension plans, unemployment and worker's compensation, or
12 self-insurance. "Special purpose levies" do not include any
13 levy made under Section 18-53.

14 (d) "Debt service" means levies made by any taxing
15 district pursuant to home rule authority, statute,
16 referendum, ordinance, resolution, indenture, agreement, or
17 contract to retire the principal or pay interest on bonds,
18 notes, debentures or other financial instruments which
19 evidence indebtedness.

20 (Source: P.A. 91-357, eff. 7-29-99; 91-523, eff. 1-1-00.)

21 (35 ILCS 200/18-185)

22 Sec. 18-185. Short title; definitions. This Division 5
23 may be cited as the Property Tax Extension Limitation Law.
24 As used in this Division 5:

25 "Consumer Price Index" means the Consumer Price Index for
26 All Urban Consumers for all items published by the United
27 States Department of Labor.

28 "Extension limitation" means (a) the lesser of 5% or the
29 percentage increase in the Consumer Price Index during the
30 12-month calendar year preceding the levy year or (b) the
31 rate of increase approved by voters under Section 18-205.

32 "Affected county" means a county of 3,000,000 or more
33 inhabitants or a county contiguous to a county of 3,000,000

1 or more inhabitants.

2 "Taxing district" has the same meaning provided in
3 Section 1-150, except as otherwise provided in this Section.
4 For the 1991 through 1994 levy years only, "taxing district"
5 includes only each non-home rule taxing district having the
6 majority of its 1990 equalized assessed value within any
7 county or counties contiguous to a county with 3,000,000 or
8 more inhabitants. Beginning with the 1995 levy year, "taxing
9 district" includes only each non-home rule taxing district
10 subject to this Law before the 1995 levy year and each
11 non-home rule taxing district not subject to this Law before
12 the 1995 levy year having the majority of its 1994 equalized
13 assessed value in an affected county or counties. Beginning
14 with the levy year in which this Law becomes applicable to a
15 taxing district as provided in Section 18-213, "taxing
16 district" also includes those taxing districts made subject
17 to this Law as provided in Section 18-213.

18 "Aggregate extension" for taxing districts to which this
19 Law applied before the 1995 levy year means the annual
20 corporate extension for the taxing district and those special
21 purpose extensions that are made annually for the taxing
22 district, excluding special purpose extensions: (a) made for
23 the taxing district to pay interest or principal on general
24 obligation bonds that were approved by referendum; (b) made
25 for any taxing district to pay interest or principal on
26 general obligation bonds issued before October 1, 1991; (c)
27 made for any taxing district to pay interest or principal on
28 bonds issued to refund or continue to refund those bonds
29 issued before October 1, 1991; (d) made for any taxing
30 district to pay interest or principal on bonds issued to
31 refund or continue to refund bonds issued after October 1,
32 1991 that were approved by referendum; (e) made for any
33 taxing district to pay interest or principal on revenue bonds
34 issued before October 1, 1991 for payment of which a property

1 tax levy or the full faith and credit of the unit of local
2 government is pledged; however, a tax for the payment of
3 interest or principal on those bonds shall be made only after
4 the governing body of the unit of local government finds that
5 all other sources for payment are insufficient to make those
6 payments; (f) made for payments under a building commission
7 lease when the lease payments are for the retirement of bonds
8 issued by the commission before October 1, 1991, to pay for
9 the building project; (g) made for payments due under
10 installment contracts entered into before October 1, 1991;
11 (h) made for payments of principal and interest on bonds
12 issued under the Metropolitan Water Reclamation District Act
13 to finance construction projects initiated before October 1,
14 1991; (i) made for payments of principal and interest on
15 limited bonds, as defined in Section 3 of the Local
16 Government Debt Reform Act, in an amount not to exceed the
17 debt service extension base less the amount in items (b),
18 (c), (e), and (h) of this definition for non-referendum
19 obligations, except obligations initially issued pursuant to
20 referendum; (j) made for payments of principal and interest
21 on bonds issued under Section 15 of the Local Government Debt
22 Reform Act; and (k) made by a school district that
23 participates in the Special Education District of Lake
24 County, created by special education joint agreement under
25 Section 10-22.31 of the School Code, for payment of the
26 school district's share of the amounts required to be
27 contributed by the Special Education District of Lake County
28 to the Illinois Municipal Retirement Fund under Article 7 of
29 the Illinois Pension Code; the amount of any extension under
30 this item (k) shall be certified by the school district to
31 the county clerk; and (l) made under Section 18-53 by a
32 taxing district to recover revenue lost due to refunded tax
33 distributions.

34 "Aggregate extension" for the taxing districts to which

1 this Law did not apply before the 1995 levy year (except
2 taxing districts subject to this Law in accordance with
3 Section 18-213) means the annual corporate extension for the
4 taxing district and those special purpose extensions that are
5 made annually for the taxing district, excluding special
6 purpose extensions: (a) made for the taxing district to pay
7 interest or principal on general obligation bonds that were
8 approved by referendum; (b) made for any taxing district to
9 pay interest or principal on general obligation bonds issued
10 before March 1, 1995; (c) made for any taxing district to pay
11 interest or principal on bonds issued to refund or continue
12 to refund those bonds issued before March 1, 1995; (d) made
13 for any taxing district to pay interest or principal on bonds
14 issued to refund or continue to refund bonds issued after
15 March 1, 1995 that were approved by referendum; (e) made for
16 any taxing district to pay interest or principal on revenue
17 bonds issued before March 1, 1995 for payment of which a
18 property tax levy or the full faith and credit of the unit of
19 local government is pledged; however, a tax for the payment
20 of interest or principal on those bonds shall be made only
21 after the governing body of the unit of local government
22 finds that all other sources for payment are insufficient to
23 make those payments; (f) made for payments under a building
24 commission lease when the lease payments are for the
25 retirement of bonds issued by the commission before March 1,
26 1995 to pay for the building project; (g) made for payments
27 due under installment contracts entered into before March 1,
28 1995; (h) made for payments of principal and interest on
29 bonds issued under the Metropolitan Water Reclamation
30 District Act to finance construction projects initiated
31 before October 1, 1991; (i) made for payments of principal
32 and interest on limited bonds, as defined in Section 3 of the
33 Local Government Debt Reform Act, in an amount not to exceed
34 the debt service extension base less the amount in items (b),

1 (c), and (e) of this definition for non-referendum
2 obligations, except obligations initially issued pursuant to
3 referendum and bonds described in subsection (h) of this
4 definition; (j) made for payments of principal and interest
5 on bonds issued under Section 15 of the Local Government Debt
6 Reform Act; (k) made for payments of principal and interest
7 on bonds authorized by Public Act 88-503 and issued under
8 Section 20a of the Chicago Park District Act for aquarium or
9 museum projects; (l) made for payments of principal and
10 interest on bonds authorized by Public Act 87-1191 and issued
11 under Section 42 of the Cook County Forest Preserve District
12 Act for zoological park projects; and (m) made pursuant to
13 Section 34-53.5 of the School Code, whether levied annually
14 or not; and (n) made under Section 18-53 by a taxing district
15 to recover revenue lost to refunded tax distributions.

16 "Aggregate extension" for all taxing districts to which
17 this Law applies in accordance with Section 18-213, except
18 for those taxing districts subject to paragraph (2) of
19 subsection (e) of Section 18-213, means the annual corporate
20 extension for the taxing district and those special purpose
21 extensions that are made annually for the taxing district,
22 excluding special purpose extensions: (a) made for the taxing
23 district to pay interest or principal on general obligation
24 bonds that were approved by referendum; (b) made for any
25 taxing district to pay interest or principal on general
26 obligation bonds issued before the date on which the
27 referendum making this Law applicable to the taxing district
28 is held; (c) made for any taxing district to pay interest or
29 principal on bonds issued to refund or continue to refund
30 those bonds issued before the date on which the referendum
31 making this Law applicable to the taxing district is held;
32 (d) made for any taxing district to pay interest or principal
33 on bonds issued to refund or continue to refund bonds issued
34 after the date on which the referendum making this Law

1 applicable to the taxing district is held if the bonds were
2 approved by referendum after the date on which the referendum
3 making this Law applicable to the taxing district is held;
4 (e) made for any taxing district to pay interest or principal
5 on revenue bonds issued before the date on which the
6 referendum making this Law applicable to the taxing district
7 is held for payment of which a property tax levy or the full
8 faith and credit of the unit of local government is pledged;
9 however, a tax for the payment of interest or principal on
10 those bonds shall be made only after the governing body of
11 the unit of local government finds that all other sources for
12 payment are insufficient to make those payments; (f) made for
13 payments under a building commission lease when the lease
14 payments are for the retirement of bonds issued by the
15 commission before the date on which the referendum making
16 this Law applicable to the taxing district is held to pay for
17 the building project; (g) made for payments due under
18 installment contracts entered into before the date on which
19 the referendum making this Law applicable to the taxing
20 district is held; (h) made for payments of principal and
21 interest on limited bonds, as defined in Section 3 of the
22 Local Government Debt Reform Act, in an amount not to exceed
23 the debt service extension base less the amount in items (b),
24 (c), and (e) of this definition for non-referendum
25 obligations, except obligations initially issued pursuant to
26 referendum; (i) made for payments of principal and interest
27 on bonds issued under Section 15 of the Local Government Debt
28 Reform Act; and (j) made for a qualified airport authority to
29 pay interest or principal on general obligation bonds issued
30 for the purpose of paying obligations due under, or financing
31 airport facilities required to be acquired, constructed,
32 installed or equipped pursuant to, contracts entered into
33 before March 1, 1996 (but not including any amendments to
34 such a contract taking effect on or after that date); and (k)

1 made under Section 18-53 by a taxing district to recover
2 revenue lost to refunded tax distributions.

3 "Aggregate extension" for all taxing districts to which
4 this Law applies in accordance with paragraph (2) of
5 subsection (e) of Section 18-213 means the annual corporate
6 extension for the taxing district and those special purpose
7 extensions that are made annually for the taxing district,
8 excluding special purpose extensions: (a) made for the taxing
9 district to pay interest or principal on general obligation
10 bonds that were approved by referendum; (b) made for any
11 taxing district to pay interest or principal on general
12 obligation bonds issued before the effective date of this
13 amendatory Act of 1997; (c) made for any taxing district to
14 pay interest or principal on bonds issued to refund or
15 continue to refund those bonds issued before the effective
16 date of this amendatory Act of 1997; (d) made for any taxing
17 district to pay interest or principal on bonds issued to
18 refund or continue to refund bonds issued after the effective
19 date of this amendatory Act of 1997 if the bonds were
20 approved by referendum after the effective date of this
21 amendatory Act of 1997; (e) made for any taxing district to
22 pay interest or principal on revenue bonds issued before the
23 effective date of this amendatory Act of 1997 for payment of
24 which a property tax levy or the full faith and credit of the
25 unit of local government is pledged; however, a tax for the
26 payment of interest or principal on those bonds shall be made
27 only after the governing body of the unit of local government
28 finds that all other sources for payment are insufficient to
29 make those payments; (f) made for payments under a building
30 commission lease when the lease payments are for the
31 retirement of bonds issued by the commission before the
32 effective date of this amendatory Act of 1997 to pay for the
33 building project; (g) made for payments due under installment
34 contracts entered into before the effective date of this

1 amendatory Act of 1997; (h) made for payments of principal
2 and interest on limited bonds, as defined in Section 3 of the
3 Local Government Debt Reform Act, in an amount not to exceed
4 the debt service extension base less the amount in items (b),
5 (c), and (e) of this definition for non-referendum
6 obligations, except obligations initially issued pursuant to
7 referendum; (i) made for payments of principal and interest
8 on bonds issued under Section 15 of the Local Government Debt
9 Reform Act; and (j) made for a qualified airport authority to
10 pay interest or principal on general obligation bonds issued
11 for the purpose of paying obligations due under, or financing
12 airport facilities required to be acquired, constructed,
13 installed or equipped pursuant to, contracts entered into
14 before March 1, 1996 (but not including any amendments to
15 such a contract taking effect on or after that date); and (k)
16 made under Section 18-53 by a taxing district to recover
17 revenue lost to refunded tax distributions.

18 "Debt service extension base" means an amount equal to
19 that portion of the extension for a taxing district for the
20 1994 levy year, or for those taxing districts subject to this
21 Law in accordance with Section 18-213, except for those
22 subject to paragraph (2) of subsection (e) of Section 18-213,
23 for the levy year in which the referendum making this Law
24 applicable to the taxing district is held, or for those
25 taxing districts subject to this Law in accordance with
26 paragraph (2) of subsection (e) of Section 18-213 for the
27 1996 levy year, constituting an extension for payment of
28 principal and interest on bonds issued by the taxing district
29 without referendum, but not including (i) bonds authorized by
30 Public Act 88-503 and issued under Section 20a of the Chicago
31 Park District Act for aquarium and museum projects; (ii)
32 bonds issued under Section 15 of the Local Government Debt
33 Reform Act; or (iii) refunding obligations issued to refund
34 or to continue to refund obligations initially issued

1 pursuant to referendum. The debt service extension base may
2 be established or increased as provided under Section 18-212.

3 "Special purpose extensions" include, but are not limited
4 to, extensions for levies made on an annual basis for
5 unemployment and workers' compensation, self-insurance,
6 contributions to pension plans, and extensions made pursuant
7 to Section 6-601 of the Illinois Highway Code for a road
8 district's permanent road fund whether levied annually or
9 not. The extension for a special service area is not
10 included in the aggregate extension.

11 "Aggregate extension base" means the taxing district's
12 last preceding aggregate extension as adjusted under Sections
13 18-215 through 18-230.

14 "Levy year" has the same meaning as "year" under Section
15 1-155.

16 "New property" means (i) the assessed value, after final
17 board of review or board of appeals action, of new
18 improvements or additions to existing improvements on any
19 parcel of real property that increase the assessed value of
20 that real property during the levy year multiplied by the
21 equalization factor issued by the Department under Section
22 17-30 and (ii) the assessed value, after final board of
23 review or board of appeals action, of real property not
24 exempt from real estate taxation, which real property was
25 exempt from real estate taxation for any portion of the
26 immediately preceding levy year, multiplied by the
27 equalization factor issued by the Department under Section
28 17-30. In addition, the county clerk in a county containing a
29 population of 3,000,000 or more shall include in the 1997
30 recovered tax increment value for any school district, any
31 recovered tax increment value that was applicable to the 1995
32 tax year calculations.

33 "Qualified airport authority" means an airport authority
34 organized under the Airport Authorities Act and located in a

1 county bordering on the State of Wisconsin and having a
2 population in excess of 200,000 and not greater than 500,000.
3 "Recovered tax increment value" means, except as
4 otherwise provided in this paragraph, the amount of the
5 current year's equalized assessed value, in the first year
6 after a municipality terminates the designation of an area as
7 a redevelopment project area previously established under the
8 Tax Increment Allocation Development Act in the Illinois
9 Municipal Code, previously established under the Industrial
10 Jobs Recovery Law in the Illinois Municipal Code, or
11 previously established under the Economic Development Area
12 Tax Increment Allocation Act, of each taxable lot, block,
13 tract, or parcel of real property in the redevelopment
14 project area over and above the initial equalized assessed
15 value of each property in the redevelopment project area. For
16 the taxes which are extended for the 1997 levy year, the
17 recovered tax increment value for a non-home rule taxing
18 district that first became subject to this Law for the 1995
19 levy year because a majority of its 1994 equalized assessed
20 value was in an affected county or counties shall be
21 increased if a municipality terminated the designation of an
22 area in 1993 as a redevelopment project area previously
23 established under the Tax Increment Allocation Development
24 Act in the Illinois Municipal Code, previously established
25 under the Industrial Jobs Recovery Law in the Illinois
26 Municipal Code, or previously established under the Economic
27 Development Area Tax Increment Allocation Act, by an amount
28 equal to the 1994 equalized assessed value of each taxable
29 lot, block, tract, or parcel of real property in the
30 redevelopment project area over and above the initial
31 equalized assessed value of each property in the
32 redevelopment project area. In the first year after a
33 municipality removes a taxable lot, block, tract, or parcel
34 of real property from a redevelopment project area

1 established under the Tax Increment Allocation Development
2 Act in the Illinois Municipal Code, the Industrial Jobs
3 Recovery Law in the Illinois Municipal Code, or the Economic
4 Development Area Tax Increment Allocation Act, "recovered tax
5 increment value" means the amount of the current year's
6 equalized assessed value of each taxable lot, block, tract,
7 or parcel of real property removed from the redevelopment
8 project area over and above the initial equalized assessed
9 value of that real property before removal from the
10 redevelopment project area.

11 Except as otherwise provided in this Section, "limiting
12 rate" means a fraction the numerator of which is the last
13 preceding aggregate extension base times an amount equal to
14 one plus the extension limitation defined in this Section and
15 the denominator of which is the current year's equalized
16 assessed value of all real property in the territory under
17 the jurisdiction of the taxing district during the prior levy
18 year. For those taxing districts that reduced their
19 aggregate extension for the last preceding levy year, the
20 highest aggregate extension in any of the last 3 preceding
21 levy years shall be used for the purpose of computing the
22 limiting rate. The denominator shall not include new
23 property. The denominator shall not include the recovered
24 tax increment value.

25 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;
26 92-547, eff. 6-13-02.)

27 Section 99. Effective date. This Act takes effect upon
28 becoming law.